

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-223

January 13, 2004

MAINE PUBLIC UTILITIES COMMISSION
Maine Telecommunication Education Access
Fund

PROCEDURAL ORDER
(Opportunity to Comment)

I. Summary

The Commission recently received two requests for the use of funds from the Maine Telecommunications Education Access Fund (MTEAF). The Commission seeks comments from interested persons on these requests as described below.

II. Maine Learning Technology Initiative

On December 17, 2003, the Commission received a request from the Department of Education for \$2.25 million to support the Maine Learning Technology Initiative (MLTI) for fiscal year 2004 (Attachment 1). The Commission, by Order issued on September 14, 2001, agreed to provide such support from the Maine Telecommunications Access Fund (MTEAF). The Order stated that the MTEAF would provide up to \$9 million in funding over a four-year period, capped at \$2.25 million per year.

By Order issued on December 5, 2002, we directed transfer of \$2.25 million from the MTEAF to the MLTE to support the initiative in fiscal year 2003. We found that providing these funds was consistent with the Legislative directives in Public Laws 2001, Chapter 358, Section II-7 (4) and 2001, Chapter 559, Section LL (See 2002 Order at www.state.me.us/mpuc/orders/2001/2001-223o5.htm).

The language in Section LL requires that at least \$2 million in the MTEAF (in addition to funds collected annually from telecommunications carriers) be used for purposes other than MLTI and the digital library (authorized by P.L. 2001, ch. 522). In its 2002 Order the Commission noted that in approving \$2.25 million for FY 2003 it was not compromising its ability to meet the obligation in Section LL, as over \$2 million remained available in the Fund for other purposes. The Commission noted that such assurances could become more difficult in the future unless additional funds became available from other sources, such as Federal E-Rate.

As of January 2004, the MTEAF has a balance of \$2,172,338. E-Rate applications for 2002 and 2003 of approximately \$3 million for each year remain under review by the School and Library Division (SLD) of the Universal Service Administrative Company (the Federal Communication Commission's contractor for administering the Federal E-Rate program). If SLD approves these E-Rate applications, sufficient funds will exist to provide the \$2.25 million requested, consistent with other legislative

mandates. However, the timing of the awards remains unknown (although the review process for 2003 is substantially complete).

The Commission invites comments on whether it should approve the request and/or condition approval on the receipt of E-Rate funding. Because there is often a lag in the awarding of funding, the Commission requests comments on whether the MTEAF should maintain a balance of at least \$1 million (or some other amount) to cover current expenses (which will eventually be reimbursed by Federal E-Rate).

III. State Library Request

On December 29, 2003, the Commission received a request from State Librarian Gary Nichols concerning libraries that choose not to accept Federal E-Rate for Internet service due to their view that Federal filtering requirements are inconsistent with freedom of access to information principles and that such filtering decisions should be a local decision (Attachment 2). For FY 2004, Internet access costs \$140 per month. It is expected that Federal E-Rate will pay approximately 60% of this cost and MTEAF will pay the remaining portion. Mr. Nichols proposes that the Commission continue to provide MTEAF funds for 40% of the monthly charge of \$140 with the library assuming half of the remaining 60% and MTEAF covering the other half. If all 260 libraries chose this option, it will cost the MTEAF fund an additional \$131,040 over what would typically be expended to support Internet access (\$174,720) for libraries. The State Library is willing to collect the payments from libraries and remit them to the MTEAF Administrator. The Commission seeks comments on whether to make these additional expenditures. The Commission also requests comments on whether this arrangement meets the 35-A M.R.S.A. § 7104-B(6) requirement that schools and libraries shall apply for any available Federal discounts.

IV. Filing Comments

Notice of this opportunity to comment will be posted on the Commission's website and mailed to persons who have previously commented in this Docket. Comments may be submitted, either by mail to the Maine PUC, 18 State House Station, Augusta, ME, 04333-0018; or by e-mail to maine.puc@state.me.us, by January 30, 2004. Commenters may also file comments using the Commission's Electronic Filing system, accessible at <http://www.informe.org/puc/upload.html>.

Dated at Augusta, Maine, this 13th day of January, 2004.

BY ORDER OF THE PRESIDING OFFICER

Joanne B. Steneck